

# SENATE BILL REPORT

## HB 1640

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As Reported by Senate Committee On:  
Higher Education & Workforce Development, March 20, 2009

**Title:** An act relating to private financial and commercial investment information received by the University of Washington for purposes of the consolidated endowment fund.

**Brief Description:** Modifying disclosure requirements for private investment information received by the University of Washington consolidated endowment fund.

**Sponsors:** Representatives Kessler, Armstrong, Hunt, Sells, Alexander, Appleton and Kenney; by request of University of Washington.

**Brief History:** Passed House: 3/05/09, 95-1.

**Committee Activity:** Higher Education & Workforce Development: 3/20/09 [DPA].

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass as amended.

Signed by Senators Kilmer, Chair; Jarrett, Vice Chair; Becker, Ranking Minority Member; Jacobsen, Kastama, McAuliffe, Shin and Stevens.

**Staff:** Aldo Melchiori (786-7439)

**Background:** The University of Washington (UW) has an endowment fund consisting of private gifts which support donor-specified programs. The endowment fund is invested in a diversified mix of public and private securities, including privately-managed investment funds. Under current law, the UW is unable to provide a guarantee to private fund managers that their proprietary investment activity information will be protected from public disclosure.

**Summary of Bill (Recommended Amendments):** For investments in privately-managed funds, financial and commercial information submitted to or obtained by the UW is exempt from disclosure under the Public Records Act if disclosure would reasonably be expected to result in loss to the UW Consolidated Endowment Fund or loss to the providers of the information. The UW must disclose the names and amounts of the private funds in which it is invested and the aggregate quarterly performance results of its investment portfolio in these funds. The UW must have formal policies addressing conflicts of interest in regard to

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the private funds in which the endowment is invested and must post them on their public website.

**EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE (Recommended Amendments):** The UW must have formal policies addressing conflicts of interest in regard to the private funds in which the endowment is invested and must post them on their public website.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: This is a narrowly-drafted bill that will allow UW to maximize the returns on its investments. The students and UW will benefit from this ability. The standard for withholding the information is the same as other exemptions in the same statute.

**Persons Testifying:** PRO: Mike Woodin, Scott Davies, Keith Ferguson, UW.